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SUBJECT: MEDIA REACTION: SECRETARY CHU AND LOCKE VISIT, XINJIANG RIOT, STRATEGIC AND ECONOMIC DIALOGUE PREVIEW

Editorial Quotes

11. SECRETARY CHU AND LOCKE VISIT

"China and the U.S. should face the climate challenge together"

Guangdong 21st Century Publishing Company Ltd.'s business newspaper 21st Century Business Herald (21Shiji Jingji Baodao)(07/16): "The constructive meaning of Secretary Chu and Secretary Locke's China visits is that differences have been put aside and China and the U.S. are seeking a way out of the climate issue. Both countries want to protect their competence which is why agreement is hard to reach. The critical issues of whether the two countries can transform the crisis of climate change into an opportunity are: the ability of the two countries to develop jointly new clean energy markets while no longer protecting the old, polluting economic development model. The traditional means used to protect competence are trade barriers. If the U.S. implements a carbon tariff, traditional polluting enterprises will be safe while the opportunity to stimulate renewable energy industry will be lost. Over-criticism of Chinese products that they are bad for the environment is overlooking the potential of China's new energy industry. Since President Obama took office, it has been the major breakthrough for global climate negotiations that the U.S. has taken responsibility for emission decrease. The U.S. should realize that the solution to shared climate concerns is broad cooperation on clean energy rather than another round of trade barriers."

12. XINJIANG RIOT

"Rabiya [Kabeer] wants to seek help from the Dalai [Lama]"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(07/16): "A letter from the World Uyghur Congress has been publicized by the Dalai [Lama], seeking his help. Chinese experts indicate that it is ridiculous that the separatists would believe they can break apart China's territory by making up a country's name and asking for some help from the West. In fact, they know it will be hard to make their dream become a reality. Their real goal is to produce chaos since chaos in China meets the West's interests and can help them to continue to live in the [minds of the] West. China should also crack down on those Western leaders at the same time that they suppress Xinjiang independence followers.

Rabiya intended to take Dalai as the example, copying the Tibetan independence followers' methods, to conduct separation activities. The two groups of independence followers have had the more obvious trend of getting closer after the 7/5 incident. Xinjiang independence followers have had much smaller influence in the world than Tibet separatists. They have tried every measure to increase its influence. Chinese scholars called on a thorough investigation of these methods. Like President Bush said after the 9/11 incident, whoever stands against us is our enemy. China should indicate that the Westerners and Western media who stand at the side of terrorists harming Chinese people's lives are our enemies. The Dalai's low

profile indicates he is assessing the situation. It is possible that he will make moves later."

13. STRATEGIC AND ECONOMIC DIALOGUE PREVIEW

"High technology trade and carbon tariff will be on top of the S&ED's agenda"

The Shanghai-based Shanghai Media Group (SMG) publication, China Business News (Diyi Caijing)(07/16): "Zhou Shijian, a senior research fellow of the Center for U.S.-China Relations at Tsinghua University slightly jokingly said, "It's better for China to buy \$1 trillion of technology than \$1 trillion of U.S. treasury bonds. We can also ask the U.S. to maintain a stable U.S. dollar," Zhou said. The prospect of a large clean energy market in China is an opportunity that the U.S. must not overlook and that the U.S. could use to simulate the real economy's recovery. Europe is also seeking a larger Chinese market in clean energy and high technology, which has also increased China's negotiations chip with the U.S. Since the carbon tariff issue has arisen, China's attitude has been clear that trade issues can't be bounded together with climate change issues. The carbon tariff is trade protection behavior in the name of environmental protection. It will disturb the international trade order and trigger a trade war. Associate Professor in International Trade at the University of International Business and Economics (UIBE), Cui Fan pointed that, America's motivation for a "carbon tariff" comes from their highly developed manufacturing areas. Thus, the carbon tariff has the strong purpose of trade protection. But both Secretary Chu and Secretary Locke did not mention carbon tariffs in public during their visit. The visit aims at making contacts with China. Thus their comments will be 'artful.' The result of negotiation might be: in the end, the main developing

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countries including China may take on duties of reasonably quantified emission, decreasing emissions, in exchange for the technological support of developed countries and their promise for not implementing carbon tariffs."

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